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JAPAN'S DEFENSE PLANNING IN AN ERA OF GLOBAL CHANGE

Summary

Global developments of the past year have created new challenges for Japanese defense planners as they evaluate future security needs. For decades the threat posed by Soviet military power in the Far East shaped Tokyo's defense planning. Recent changes in the Eastern bloc and improvements in U.S.-Soviet relations have prompted some Japanese policymakers to urge the government to adjust the level of defense spending to reflect these changed geopolitical circumstances. This thinking apparently influenced the cabinet's decision to cap the increase in the Japan Defense Agency's budget for FY 1991 at the lowest year-to-year level in 30 years. The relaxation of East-West tensions also has affected decisionmaking concerning the duration and the procurement needs of Japan's next medium-term defense plan.

At the same time, Iraq's early August invasion of Kuwait has raised serious questions about Japan's responsibilities as a global economic power -- questions that may force Tokyo to reinterpret its constitutionally mandated self-defense mission. Developments in the Persian Gulf at this stage do not appear to have altered Japan's military spending and procurement plans for the coming fiscal year. It is possible, however, that growing international pressures on Japan to shoulder more of the burden of defending its oil lifeline could affect defense planning in upcoming years as well as the nature of Japanese military operations.

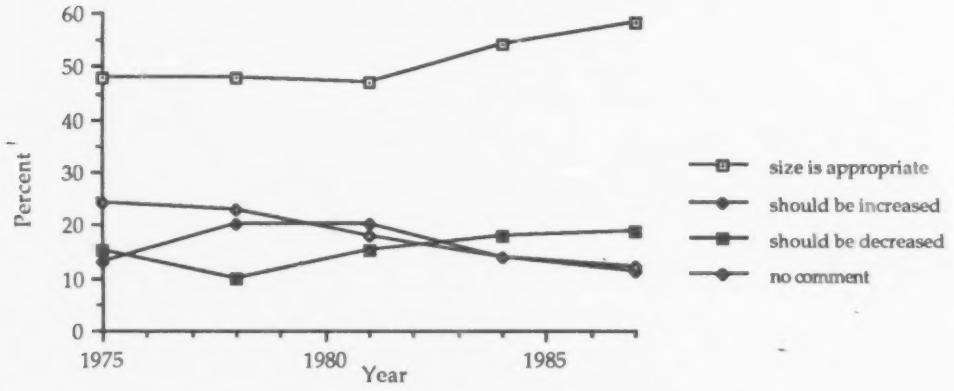
Overview of Japanese Defense Planning

By next spring Japan will have completed its FY 1986-FY 1990 Mid-Term Defense Program, the third five-year plan undertaken in accordance with the National Defense Program Outline. The outline, adopted in October 1976 by the cabinet of then Prime Minister Takeo Miki, serves as an overarching plan or "vision" that stipulates the level of defense capabilities that should be maintained by Japan in peacetime and provides guidelines for the improvement of the country's military capabilities. Its underlying premise is that the military balance between the United States and the Soviet Union and the U.S.-Japan Mutual Security Treaty will play major roles in maintaining international stability and preventing a full-scale attack against Japan. Noting that Japan's "peace" constitution bans the threat or the use of force as a means of settling international disputes, the outline clarifies that Japan nevertheless should possess adequate defense capabilities to enable the country to deal with any aggression directed against the home islands.[1]

Given Japan's World War II notoriety, there exists tremendous sensitivity -- both nationally and regionally -- to a greatly expanded Japanese military role, even when the mission remains defensive in nature. The Japanese people in general appear to take quite seriously their war-renouncing constitution insofar as increased defense outlays are concerned (see Figure 1). Certain of the opposition parties, in fact, advocate a neutral defense posture, arguing that even the existence of a military alliance with the United States stretches the constitution's bounds.

Figure 1: Japanese Attitudes Toward the Defense Budget, 1975-1987

(in percent)



Source: Japan Defense Agency, Defense of Japan, 1989

[1]Japan Defense Agency, Defense of Japan, 1989, p. 87.

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Due in part to congressional pressures for U.S. allies to share more of the defense burden, Washington over the years has encouraged Tokyo to increase defense-related spending to allow for ongoing qualitative improvements in weapons systems as well as additional procurements to meet expanded military roles and missions in and around the Japanese islands. Domestic and regional sensitivities as well as budgetary pressures still act to constrain Japanese defense spending to only about 1 percent of gross national product (as compared to the 3 to 7 percent spent by the United States and European allies). However, Tokyo has responded to U.S. requests over the past 35 years by steadily expanding military expenditures (see Table 1). The FY 1986-FY 1990 buildup program, in particular, features qualitative improvements in weapons systems and armed forces training.

Table 1: Japan's Defense Budget, FY 1955-FY 1990

(in billions of yen)

Fiscal Year	Initial Budget	Percent Change	Ratio to GNP
1955	Y134.9	-3.3%	1.78
1965	301.4	9.6	1.07
1975	1,327.3	21.4	0.84
1980	2,230.2	6.5	0.90
1981	2,400.0	7.6	0.91
1982	2,586.1	7.8	0.93
1983	2,754.2	6.5	0.98
1984	2,934.7	6.6	0.99
1985	3,137.2	6.9	0.99
1986	3,343.6	6.6	0.99
1987	3,517.4	5.2	1.00
1988	3,700.3	5.2	1.013
1989	3,919.8	5.9	1.006
1990	4,159.0	6.1	0.99

Source: Japan Defense Agency

By the end of the current five-year plan Tokyo will have accomplished most of the personnel and equipment procurement objectives contained in the 1976 National Defense Program Outline (see Table 2). Among the emphasized goals are improved and expanded capabilities in air defense, antisubmarine warfare, ground force response to a manned invasion as well as improved command, communications, intelligence and reconnaissance capabilities. Both the Japan Defense Agency and the Pentagon believe that achievement of these objectives will enable Tokyo to adequately defend its sealanes 1,000 nautical miles east and south, a goal established in a 1981 joint communique signed by former President Reagan and then Prime Minister Zenko Suzuki.

Weapons Procurement and Personnel - When the FY 1990 budget went into effect this past April the Japan Defense Agency was in command of an unprecedented Y4.2 trillion ($27.7 billion at Y150=$1.00) -- reflecting a 6.1 percent increase over the initial FY 1989 figure, the sharpest increase in defense-related funding in four years. The Ministry of Finance initially had proposed a

slightly smaller defense budget, arguing that recent developments in East-West relations had created a less hostile security environment. JDA policymakers successfully contended that Japan's defense buildup must continue as planned since the military situation in Asia basically had not changed. Like Pentagon

Table 2: Progress of Defense Buildup under 1976 National Defense Program Outline

Classification	Outline Goal	End of FY 1989	Program Completion
SDF Personnel	180,000	180,000	180,000
GSDF			
Units Deployed Regionally			
Division	12	12	12
Composite Brigades	2	2	2
Mobile Operations Units			
Armored Division	1	1	1
Artillery Brigade	1	1	1
Airborne Brigade	1	1	1
Training Brigade	1	1	1
Helicopter Brigade	1	1	1
Low-Altitude Surface-to-Air Missile Units (anti-aircraft artillery groups)	8	8	8
MSDF			
Antisubmarine Surface Ship Units for Mobile Operations (escort flotillas)	4	4	4
Antisubmarine Surface Ship Units for Regional District Units (divisions)	10	10	10
Submarine Units (divisions)	6	6	6
Minesweeping Units (flotillas)	2	2	2
Land-Based Antisubmarine Aircraft Units (squadrons)	16	14	16
Major Equipment			
Antisubmarine Surface Ships	60	61	62
Submarines	16	15	16
Combat Aircraft	220	194	214
ASDF			
Aircraft Control and Warning Units	28	28	28
Interceptor Units (flight squadrons)	10	10	10
Support Fighter Units (flight squadrons)	3	3	3
Air Reconnaissance Units (flight squadrons)	1	1	1
Air Transport Units (flight squadrons)	3	3	3
Early Warning Units (flight squadrons)	1	1	1
High-Altitude Surface-to-Air Missile Units (anti-aircraft groups)	6	6	6
Major Equipment			
Combat Aircraft	430	414	415

Source: Japan Defense Agency, Defense of Japan, 1989.

planners, Japanese defense officials have concluded that, Kremlin statements notwithstanding, Soviet military power in the Far East has not diminished. They note that Moscow's apparent cutbacks in military forces and weaponry in the region are offset by qualitative improvements in equipment and the deployment of technologically sophisticated aircraft carriers (see JEI Report No. 40B, October 20, 1989).

The budget for the final year of the current five-year defense plan funds some important additions to Japan's defensive arsenal. Specifically, the Ground Self-Defense Force has been allocated money to obtain, among other things, 30 Type-90 tanks, 44 155mm howitzers, 16 SSM-1 surface-to-air guided missiles, 8 AH-1S antitank helicopters and 9 Type-89 armored fighting vehicles. The Maritime Self-Defense Force plans to acquire a second 7,200-ton destroyer equipped with the sophisticated Aegis air defense system, a submarine, 8 P3-C Orion antisubmarine patrol planes, 11 antisubmarine patrol helicopters, 1 minesweeper and other equipment. The Air Self-Defense Force's equipment list includes 10 F-15J Eagle fighter aircraft, 19 T-4 fighter aircraft trainers, one group of Patriot surface-to-air missiles, two E2C early warning planes and two CH-47J transport helicopters.

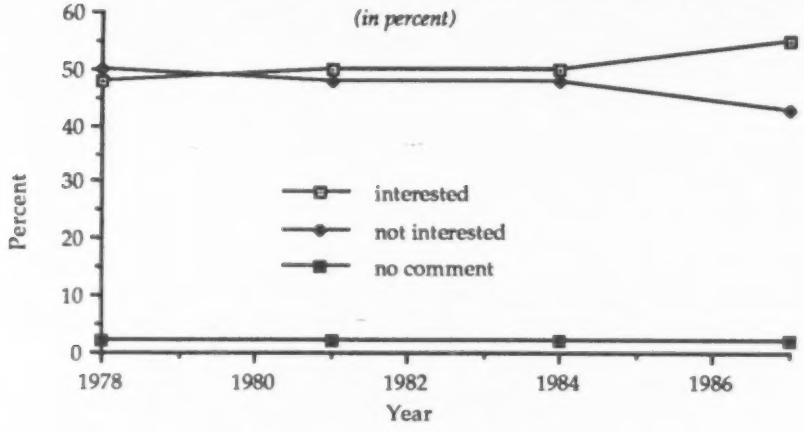
A significant component in the FY 1990 spending plan is the approximately Y104 billion ($693.3 million) in funding for military research and development. This encompasses monies for the project with the United States to develop and build Japan's new FSX fighter aircraft, a replacement for the nearly 15-year-old F-1. Delays in getting the project off the ground, however, may prevent the ASDF from receiving its first FSX in the fall of 1997 as originally planned (see JEI Report No. 30A, August 3, 1990). This may affect how well Japan performs its 1,000 nautical-mile defense mission. The F-1 was designed primarily for low-altitude support of Japanese ground forces. The FSX, with its sophisticated electronics, more powerful engine and larger fuel tank (among other features), will improve upon the F-1's ground support functions as well as enable the new aircraft to perform long flights over water and, if necessary, engage in aerial combat. Japanese defense planners, in considering Japan's defense needs for the 1990s, about five years ago concluded that a replacement for the F-1 was needed in light of military intelligence estimates of a qualitatively improved Soviet military capability in the region (see JEI Report No. 21A, May 26, 1989).

One area where Japan still may be short of the goals of the National Defense Program Outline at the end of the current buildup plan is enlistment. Some reports maintain that the Self-Defense Forces are an estimated 25,000 people under a targeted troop strength of 180,000. One consequence is that many of Japan's warships consistently are listed as being in a state of "half-readiness" due to crew shortages.[2]

The SDF's recruitment problems appear to reflect the postwar generation's pacifist orientation and general ambivalence about the military. As Figure 2 indicates, public interest/disinterest in the SDF and defense issues represents about a 50-50 split. Defense officials also suggest that difficulties in attracting young people, particularly talented individuals, correspond to

[2]David E. Sanger, "For Japan's Military, Some Second Thoughts About Where the Enemy Is," New York Times, July 29, 1990.

Figure 2: Japanese Interest in SDF and Defense Issues



Source: Japan Defense Agency, Defense of Japan, 1989

Japan's economic success. Opportunities in the business sector appear far more lucrative and professionally satisfying to young adults than the low-paying jobs and often less than satisfactory living conditions affiliated at times with a military career. An estimated 15 percent of the 425 graduates of the National Defense Academy, for example, announced this year that they would turn down their commissions to accept higher paying, more upwardly mobile jobs with major defense contractors, such as Mitsubishi Heavy Industries, Ltd., Toshiba Corp. and NEC Corp.[3]

In an effort to bolster troop strength the SDF has begun to employ some of the marketing techniques used by U.S. armed forces recruiters. JDA also has attempted to earmark more funds to improve living and working conditions for SDF personnel. In the FY 1990 budget negotiations, for example, the defense agency was able to convince MOF to reinstate funding initially red-lined by finance officials for lump-sum payments for SDF retirees.

Host-Nation Support - While bolstering Japan's military capabilities garners most of the attention in the current five-year defense buildup plan and the bulk of JDA's annual budget, an important secondary objective of both is to cover an increased part of the costs of U.S. forces stationed in Japan. The FY 1990 budget, for example, allocates Y320 billion ($2.1 billion) toward this end compared to a FY 1985 level of Y280 billion ($1.9 billion).

Under the U.S.-Japan Mutual Security Treaty Japan provides base facilities for American forces. While representing the U.S. commitment to Japan's security, the bases also are critical to speedy U.S. deployment in the Asian Pacific arena. Tokyo's spending in this area amounts to approximately 40 percent of the $6 billion annual cost of maintaining U.S. forces at over 100 military facilities in the Japanese archipelago.

[3]Ibid.

American legislators who charge that Japan should be sharing more of the defense burden given its economic strength have zeroed in on host-nation support, contending that Tokyo should bear 100 percent of the direct costs of maintaining U.S. troops on Japanese soil. Tokyo has countered that these demands exceed what it legally may do under the 1960 Status of Forces Agreement, which stipulates the costs that the United States and Japan each should bear to support the American troop presence (see JEI Report No. 38A, October 6, 1989). Nevertheless, Japanese officials have promised in bilateral defense discussions to provide increased support for U.S. forces within the legal limits. In the current fiscal year, for example, JDA plans to assume more of the burden of maintaining U.S. forces in Japan by paying for such things as fringe benefits for Japanese workers employed on U.S. bases -- an expense that, in Tokyo's eyes, will not exceed the SOFA constraints.

With the completion of the FY 1986-FY 1990 defense buildup program Japan's ability to prevent an armed invasion of its home islands will have improved dramatically since officials penned the National Defense Program Outline in 1976. In terms of sheer quantity SDF equipment and personnel still pale in comparison to what the Soviet Union reportedly has targeted toward Asia (see Table 3). The total of 629 ASDF and MSDF combat aircraft, for example, is less

Table 3: Soviet Forces in Asia

Ground Forces	
Maneuver Divisions	48
Artillery Divisions	3
Tanks	11,500
Artillery	12,500
Helicopters	1,100
Pacific Fleet	
Total Ships, Vessels and Craft	875
Ballistic Missile Submarines*	26
Attack Submarines	94
Carriers	2
Cruisers	11
Destroyers	8
Frigates	56
Minor Combatants	202
Amphibious	21
Support and Miscellaneous Craft	455
Combat Aircraft and Helicopters	345
Naval Infantry Divisions	1
Air Forces	
Bombers	215
Fighters/Attack Aircraft	890
Air Defense Fighters	590

*This is a combined total for conventionally powered and nuclear-powered ballistic missile submarines.

Source: Department of Defense

than one-third the estimated 2,040 combat aircraft Moscow has in the Far East arena. But matching the Soviet Union's military capability has never been the intent of a country whose constitution effectively reins in defense spending and prevents the development of a power projection capability. The outline, in fact, clarifies that Japan's military should be sufficiently strong to repel a "limited and small-scale invasion." The statement also emphasizes continued "qualitative improvements and reinforcements [to enable the SDF] to cope with changes in the technological standards in other countries."

Judged by this standard, the adequacy of Japan's defense capabilities may be better determined by considering how its weapons systems have been progressively modernized so as to complement and/or reinforce the U.S. military presence in the region. On this point the Pentagon gives Tokyo high marks. According to Henry S. Rowen, assistant secretary of defense for international security affairs, the Department of Defense regards what Japan has done thus far to realize its 1,000 nautical-mile self-defense goal through expanding and upgrading its forces as "basically sound."

Elaborating on this assessment, U.S. defense officials have noted, for example, that the FY 1986-FY 1990 defense program will provide the MSDF with more P3-C antisubmarine patrol aircraft than are available to the U.S. Pacific fleet, thereby enabling Japan's navy to provide even more effective sealane protection. The Pentagon also has applauded JDA's decision to initiate procurement during the current program of the better-performing Patriot surface-to-air missile to replace outdated Nike missiles. The phaseout of the F-4EJ interceptor aircraft in favor of the newer F-15 fighter interceptor is another example of how Tokyo, through qualitative improvements, has enhanced its overall military capabilities while staying true to its self-defense mission, analysts say.

But defense planners in both countries agree that even with completion of the FY 1986-FY 1990 military buildup program and attainment of most of the outline's objectives, Japan's military still will not be able to provide an effective defense out to 1,000 nautical miles. As suggested above, the FSX fighter aircraft may begin to rectify this problem toward the end of this decade. JDA has some other ideas as to how Japan's defense capabilities can, and should, be improved to address the global security environment of the 1990s.

Improvements in East-West Relations and Future Japanese Defense Plans

With the FY 1986-FY 1990 program buildup drawing to a close, Japanese defense planners began in the summer of 1989 to pull together proposals for a follow-up five-year plan. Many analysts consider the next steps crucial since most of the objectives set by the National Defense Program Outline will have been attained. These achievements, it is said, put defense officials in the position of having to develop a new conceptualization of Japan's security needs. Their job is doubly difficult, however, because of the improvement in U.S.-Soviet relations and the planned pullback of American forces from Japan and other Asian locations. Also complicating the deliberations is Japan's emergence during the past decade as a major economic power.

Discussions this summer by Japan's National Security Council, a panel composed of the prime minister and selected cabinet officials that deliberates defense-related issues, suggest that the current SDF modernization program will

be continued through FY 1995. Echoing arguments by which JDA justified its budget request for FY 1990, a NSC report released in July underscored the necessity of seeing through the consequences of the historical changes taking place worldwide. Despite impressive breakthroughs in Europe, arms control is not yet progressing similarly in Asia, and regional instability is possible, the panel emphasized. NSC members therefore pushed for funding of several advanced systems in addition to the FSX within the framework of a new medium-term plan. For the most part this hardware would be purchased off-the-shelf from the United States. On the NSC list are: AWACS (airborne warning and control system) aircraft, the multiple-launch rocket system, tanker refueling aircraft and Aegis systems.

Continuing present efforts to attract talented individuals to the military, the drafters of the NSC report also urged that money be appropriated to establish a new 2,000-person headquarters for gathering and analyzing intelligence data. General improvements in living and working conditions for SDF members would bring the total requested for the FY 1991-FY 1995 plan to roughly Y23.4 trillion ($156 billion) compared to the Y18.4 trillion ($122.7 billion) budgeted for the FY 1986-FY 1990 program. (No additional funding is anticipated for Strategic Defense Initiative studies, which also have come under closer scrutiny in Congress in light of changing security needs and U.S. fiscal problems.)

A Mid-Term Plan or Flexibility? - While the Pentagon generally appears satisfied that the new defense plan will assure continued improvements in Japan's self-defense capabilities, domestic critics have been severe. Citing Washington's intention in the next three years to reduce by one-tenth the American forces stationed in Japan (see JEI Report No. 9B, March 2, 1990), opposition parties have argued that the upcoming defense program should be reevaluated with an eye toward similarly reducing Japan's military power. Along with certain members of the ruling Liberal Democratic Party, they have suggested that the length of the new program be scaled back to only three years and/or that the plan be subject to annual reviews to allow the government greater flexibility in adapting Japan's defense efforts to changes in East-West relations. Further action on a comprehensive defense plan for the next five years has been suspended basically due to this continuing dissension over the nature and the duration of the program.

Doing without a multiyear defense framework for the time being actually might be a good idea, according to some analysts, who say that Japanese policymakers need more time to contemplate what exactly constitutes a threat to the home islands. The U.S-Japan Mutual Security Treaty -- as well as the NATO (North Atlantic Treaty Organization) alliance -- originally were constructed to deter and contain the Soviet Union. However, the economic and the political reforms sweeping through the Soviet bloc and the planned German reunification are not by-products of the 1950s-era communist regime that affected a bipolar power structure. Hints from Moscow that Soviet President Mikhail Gorbachev may use his visit to Tokyo next spring to launch a new "Asian disarmament initiative" also suggest that the Soviet Union may no longer be as threatening to Japan as it was during the Cold War period.

Prime Minister Toshiki Kaifu and other LDP members anxious for a diplomatic breakthrough with Moscow maintain that recent geopolitical developments reflect a lessening of the Soviet threat. These developments, they maintain,

should be reflected in Japanese defense planning. However, JDA, in concurrence with the Pentagon, believes this line of thinking is premature based on intelligence estimates of Soviet troops and weaponry in the Far East. Given the history of animosity between Tokyo and Moscow (see JEI Report No. 36A, September 23, 1988) and the importance Japan places on its defense relationship with the United States, Tokyo may not readily follow its European allies and make substantial cuts in its Soviet-targeted troops and weaponry. A year-by-year defense program would provide defense planners with the flexibility to augment or cut back military capabilities depending on developments in Japanese-Soviet relations or East-West diplomacy in general.

The ad hoc approach also may be the best route to go in light of the Middle East crisis, these same analysts say. Iraq's early August invasion of Kuwait essentially has forced defense planners in Tokyo as well as Washington and other Western capitals to deal with the global implications of regional conflicts -- conflicts that do not involve a confrontation with the Soviet Union or nuclear war. Although developments in the Persian Gulf do not directly threaten the Japanese islands, they could indeed cause harm to Japan's economy given its dependence on oil from this region.

Tokyo already has come under intense international pressure to broaden the interpretation of its constitutional constraints on the role of the military so that it could contribute to the Western-Arab defense effort in the Persian Gulf. Depending on how Japanese government and political leaders grapple with this issue, JDA policy planners may find that the self-defense mission pursued under the deterrence-oriented U.S.-Japan treaty framework is neither appropriate nor effective in responding to a crisis that does not involve the threat of a Soviet attack. Again, supporters of defense planning flexibility say, a multiyear plan would not allow Tokyo to fine-tune defense needs according to changes in the international environment.

FY 1991 Budget Negotiations - The imperatives of the annual budget-writing process, however, have forced Tokyo to come to terms with what it wants to do in the defense area at least in FY 1991. In a late July meeting with Finance Minister Ryutaro Hashimoto JDA director general Yozo Ishihara lobbied for a 6.3 percent increase in defense funding for the upcoming fiscal year. His main arguments revolved around continuing concerns about the Soviet threat to Asian Pacific security and the decline in the yen's value against the dollar since late 1988, which has pushed up the cost of acquiring American-made equipment.

Although effective in FY 1990 budget negotiations, Mr. Ishihara's arguments did not sway MOF this time. The Finance Ministry, backed by Prime Minister Kaifu, insisted that continued defense spending increases in the 6 percent range would be "unacceptable" given improved U.S.-Soviet relations and budget realities. At most the defense budget will go up 5.8 percent next April, the lowest year-to-year ceiling on increases in 30 years.

Mr. Kaifu's support for scaled-back growth in defense spending helped to nail the lid on the defense agency's hopes of realizing a 6.3 percent hike for the upcoming budget year. The July 1990 summit of the major industrial countries apparently affected the prime minister's assessment of the security threat posed by the Soviet Union. Mr. Kaifu advised JDA in late July to take into account "changes in the international situation" in drawing up the FY 1991

defense spending plan. "[T]he perception of the international situation by the European countries has changed much," the prime minister was quoted as telling defense planners after the Houston meeting. "I hope future [Japanese defense] policy and [defense] white papers will be based on this point," he reportedly stated. Japanese political analysts have offered a less formal translation of the message the prime minister evidently was trying to convey: "How can I agree to such a large increase in the defense budget while our Western allies are cutting theirs?"

The 1990 defense white paper -- which, judging by previous years, should have been released by now -- has yet to be issued, reportedly because of internal disagreements about how to portray the Soviet factor in Japan's security scenario. Mr. Kaifu, anxious for a successful summit with Mr. Gorbachev next spring (probably in April), reportedly instructed JDA to compile a white paper that would reflect a "relaxation of international tensions." JDA officials do not wholly embrace this view since, as noted, they have found no hard evidence to date of a reduction in the quantity or the quality of Soviet military capabilities in the Far East. The defense agency, however, is not about to ignore the prime minister on this issue.

JDA also apparently is reconciled to getting less money than it sought for FY 1991. Its Y4.4 trillion ($29.3 billion) budget proposal emphasizes facilities and personnel rather than frontline weaponry. Roughly Y1.7 trillion ($11.3 billion), about 39 percent of the total, is earmarked for personnel expenditures, including approximately Y38 billion ($253.3 million) for the construction and the renovation of SDF living quarters.

In the equipment area JDA hopes to procure an Aegis-equipped destroyer at Y149.6 billion ($997.3 million), 34 Type-90 tanks at Y1.2 billion ($8 million), 11 F-15 fighter aircraft at Y9.5 billion ($63.3 million) and a package of Patriot surface-to-air missiles at Y110.9 billion ($739.3 million), among other items. In mid-August meetings at the Pentagon Kazuo Fujii, head of JDA's policy bureau, informed Assistant Secretary of Defense for International Security Affairs Rowen, that it would be difficult in the immediate future for the defense agency to acquire some of the advanced, big-ticket hardware that it wants, such as AWACS and the multiple-launch rocket system. Mr. Rowen emphasized the importance of procuring these advanced systems. Japan needs the U.S.-made AWACS, MLRS and other high technology equipment to ensure that its defense capabilities remain up to par, he reportedly stressed. Washington also is concerned that, should Japan decide to invest in this type of hardware, it might opt for the more time-consuming and expensive route of developing the systems indigenously or buying similar equipment from third parties, either of which alternatives could lead to interoperability problems.

Despite Mr. Fujii's discouraging message regarding the purchase of advanced, big-ticket hardware, Japanese defense experts are not too concerned about JDA's FY 1991 spending priorities. Funding for weapons procurement during the first year of a multiyear plan typically is relatively low. This is because equipment purchases have a two- to five-year budgetary impact (that is, the bill for an order placed in FY 1991 probably will not come due until FY 1993 or FY 1994). Thus, defense analysts in Japan believe that the fate of advanced weapons purchases will be known better after next year's preliminary round of budget discussions.

If JDA does order AWACS or other expensive systems in FY 1992, it would be harder for MOF to trim the growth in defense spending in later years. Thus, from a budgetary standpoint, JDA might fare better in future funding battles if it were to contract for big-ticket items as soon as possible. With a multiyear defense program, however, Tokyo might be better able to finesse Washington's hardware sales pitch by writing in plans to procure sophisticated weaponry toward the end of the five-year period. But these considerations may be moot in light of continuing changes in the Kremlin's thinking and behavior as well as new uncertainties created by the Middle East crisis, which have prompted Tokyo to reconsider its commitment to a new mid-term plan.

Middle East Crisis and Japan's Defense Role

Iraq's invasion of Kuwait has complicated further Tokyo's consideration of how to adapt its defense policy and programs to the post-Cold War security environment. In the eyes of the international community Japan's bid to be a global power has attendant responsibilities. Although Baghdad's actions do not constitute a direct threat to Japan -- like, say, a Soviet invasion would -- the United States and other Western allies nevertheless have made it clear that the Japanese government is expected to take actions to protest Iraq's violation of the rules of international diplomacy.

Tokyo joined the international trade embargo of Iraq and Kuwait relatively quickly -- a move that is bound to cause some harm to the Japanese economy given its dependence on these two countries for approximately 10.6 percent of its imported oil (see JEI Report No. 31B, August 10, 1990). But this action was not enough, members of the Western alliance said. Japan should shoulder more of the burden of defending it oil lifeline and upholding codes of international conduct, they said.

Tokyo heard similar criticism at the height of the Iran-Iraq war in 1987 and 1988 after the United States and some European nations committed forces to the Persian Gulf to keep oil-shipping lanes open. Citing the constitutional constraint against the dispatch of troops abroad, the Japanese government instead provided a precision navigation system, $10 million toward United Nations peace efforts, additional economic assistance to the region and increased host-nation support to offset U.S. costs in the Persian Gulf effort (see JEI Report No. 39B, October 16, 1987).

When Japanese officials suggested that this same kind of nonmilitary assistance probably would comprise Tokyo's response to the current Middle East crisis, key American officials came down hard on Japan for its reliance on "checkbook diplomacy" (see JEI Report No. 35B, September 14, 1990). The issue underscores the inherent conflict between superpower assistance in an international crisis and Tokyo's constitutional limits on military involvement overseas. One Bush administration official pointedly called the Persian Gulf crisis a litmus test of future U.S.-Japan relations. A failure by Japan to take concrete measures in the Middle East crisis, "such as unconditionally sending Japanese cargo aircraft, ships and minesweepers, will endanger the U.S.-Japan global partnership," he said.

Constitutional Quandary - Japanese government and political officials, already weighing future defense scenarios, have been forced to look beyond this issue and consider whether current global conditions have eclipsed the suitability of the postwar legal constraints on the dispatch of military power

overseas. The pivotal point in their eyes is whether Article 9 of the constitution needs to be reinterpreted in a post-Cold War world where Japan holds considerable economic power. Numerous Japanese scholars and foreign policy experts see such a need. Seizaburo Sato, a political science professor at Tokyo University and a prominent LDP adviser, maintains that the Middle East crisis augers for a change in Japan's security policy. ". . . [A] defense-only stance will not enable Japan to secure its safety and fulfill its international responsibility as the need to prevent aggression of the Iraqi type increases even though the immediate Soviet threat declines," he stated.[4] Even before the Iraqi invasion, Terumasa Nakanishi of Shizuoka University, in an article with former Reagan administration defense official Fred C. Ikle, proposed that Japan's "isolationist defense strategy" would not serve the nation well in the 1990s.[5]

But the Japanese public still reacts quite strongly to the idea of sending troops and military hardware abroad. As the Iran-Iraq war was approaching its height in the fall of 1987, the government of then Prime Minister Yasuhiro Nakasone decided that sending MDF minesweepers to the Persian Gulf to protect Japan's oil supply routes would constitute an act of self-defense. However, opposition by then chief cabinet secretary Masaharu Gotoda kept the minesweepers in their home ports; Mr. Gotoda argued that the MSDF minesweepers' availability might be interpreted as, or lead to, the use of force. Mr. Kaifu appears to face similar opposition within the LDP today. The difference now is that while some ruling party members genuinely are concerned about constitutional questions, others reportedly covet the prime minister's newfound public popularity and do not want to give him another issue that will make him look like a bold leader.

Interestingly, Mr. Kaifu has received some opposition party support for a more active Japanese role in the Middle East. Keigo Ouchi, chairman of the Democratic Socialist Party, suggested in mid-August that Japan should study the possibility of sending SDF personnel to the Persian Gulf. However, Takako Doi, chairwoman of the Japan Socialist Party stated in a meeting with Mr. Kaifu at about the same time that her party strongly opposes any use of Japanese military or nonmilitary personnel in a war situation outside the vicinity of the home islands. (The JSP platform calls for neutrality in defense, including the abolition of the U.S.-Japan Mutual Security Treaty.)

Tokyo University's Sato charges that the JSP's thinking reflects an unwillingness to do "dangerous, dirty and hard work." The Socialists and others who embrace an outdated interpretation of the constitution express a point of view that is "selfish and will not be accepted by the world," he argued.[6] While not articulating quite such strong views, Mr. Kaifu apparently agrees that a bolder approach may be needed -- but not so bold as to threaten the remaining year of his tenure.

[4]Seizaburo Sato, "Japan's New Responsibilty," The Japan Times, August 27, 1990.

[5]Fred C. Ikle and Terumasa Nakanishi, "Japan's Grand Strategy," Foreign Affairs, Summer 1990, pp. 81-95.

[6]Sato, op. cit.

The prime minister has urged streamlining laws to allow Japan to act quickly in future international emergencies. According to Japanese government officials, a special session of the Diet could be convened this fall to consider legislation that would allow a broader interpretation of nonmilitary assistance. For example, a 1987 law that allows the government to send nonmilitary personnel abroad to areas stricken by natural disaster might be amended to further clarify that Tokyo may dispatch such individuals for multilateral peacekeeping efforts. At the end of August Mr. Kaifu proposed enacting a separate "United Nations Peace Cooperation Law" to give Japan more flexibility to participate in U.N.-sponsored peace initiatives. Alternatively, the prime minister is said to support revision of the Self-Defense Forces Law, perhaps to allow SDF personnel and equipment to be used abroad in U.N.-sponsored peacekeeping activities. Mr. Kaifu has yet to reveal his plans on the latter proposal, perhaps to allow more time to gauge the degree of public support for allowing the interpretation of Japan's self-defense mission to be stretched.

"Checkbook Diplomacy" and Japan's Defense Role - Prime Minister Kaifu unveiled Japan's long-awaited package of measures to support multinational efforts to resolve the Middle East crisis four weeks after Iraq's invasion of Kuwait. While the measures fell short of what Washington had hoped Tokyo would offer, they appeared to represent the best that Mr. Kaifu could muster given still strong domestic pressures (see JEI Report No. 35B, September 14, 1990). The Japanese leader appeared acutely aware that Washington was growing impatient and exasperated with Tokyo's delays in drafting a plan. To those Japanese who are uncomfortable with the nature and the timing of the assistance package, Mr. Kaifu said, "If Japan's response is delayed and the world gets the impression that Japan does nothing for peace in the region, when its own interest is at stake, Japan's future will be lost."

Tokyo's subsequent problems in implementing the plan have irritated Washington further and appear to give credence to Japan critics who charge that this country's Pacific ally lacks the will to assume major power responsibilities. But despite the follow-up problems, there seems to be some understanding among senior government officials and politicians that Japan no longer can simply "write a check" to protect its economic self-interest or passively ride out a storm under the U.S.-Japan defense "umbrella." Changing global alignments require a more activist diplomacy.

Prime Minister Kaifu, in an article in the fall issue of Foreign Affairs that he apparently wrote before the Iraqi invasion, argues for just such a change. Mr. Kaifu calls on Japan to pursue a "motivated foreign policy," wherein it would apply its economic and technological strength to help create a "new framework for international relations." Critics certainly could argue that the prime minister has not exactly ushered in this new era with his handling of the Middle East crisis. What may be more important, however, is that the highest levels of government apparently recognize that Japan is expected to play a higher-profile political role in global affairs and that the breakdown of the Cold War structure allows greater foreign policy autonomy.

Mr. Kaifu's next important challenge -- and opportunity to demonstrate that his government is willing to do more than write checks -- will be in ushering through the Diet legislation that would authorize Japanese financial support for, and/or participation in, U.N.-sponsored peacekeeping operations. Success could create important new diplomatic opportunities for Tokyo and lead to

a reinterpretation of Japan's self-defense mission, both of which may have a bearing on future defense plans.

Outlook: A New Global Policy?

Political analysts on both sides of the Pacific contend that it is incumbent on Japan to reevaluate its global strategic policy in light of recent international developments.[7] Policy discussions surrounding Mr. Gorbachev's visit to Japan next spring and Saddam Hussein's actions in early August appear to have initiated this review. Given the nature of decisionmaking in Japan, however, deliberations on this topic no doubt could proceed at what Western observers may regard as an agonizingly slow pace.

It is highly unlikely that such a review would lead to an abrogation of the U.S.-Japan Mutual Security Treaty or even a radically altered bilateral defense relationship -- regardless of the outcome of the Soviet leader's trip. As Mr. Sato of Tokyo University points out, the Soviet Union will continue to be a military superpower for the foreseeable future so the need to maintain an "anti-Soviet deterrent" has not disappeared.[8] But even if the Kremlin does institute significant military cutbacks in the Far East, the bilateral defense arrangement will continue to play an important role for Japan's security relations with other regional powers, such as China, or with politically unstable countries such as the Philippines and Cambodia.

As the Persian Gulf crisis has driven home, Tokyo simply may have to come to grips with the fact that the international community expects more -- politically, militarily and financially -- from a country with Japan's economic prowess. While staying true to its pacifist constitution, the Japanese government may have to redefine "self-defense" so that Japan may play a role befitting a global power in helping to resolve international emergencies.

This strategic "soul-searching" will not be reflected in significantly higher Japanese defense spending or weapons procurement in the near future; budgetary pressures, domestic and regional sensitivities and the Cold War thaw will continue to rein in the growth of defense spending for at least the next two years. Japanese defense planners may be content to go without a three- or five-year blueprint until Moscow's policy toward Asia is better known and the situation in the Persian Gulf stabilizes. Should the conflict in the Middle East become protracted, however, Tokyo may have no choice but to rethink its defense and military-spending priorities.

[7]Ikle and Nakanishi, op. cit., p. 95.

[8]Sato, op. cit.

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The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.